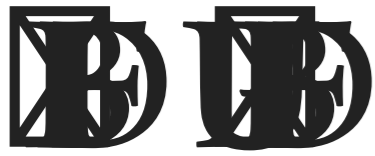


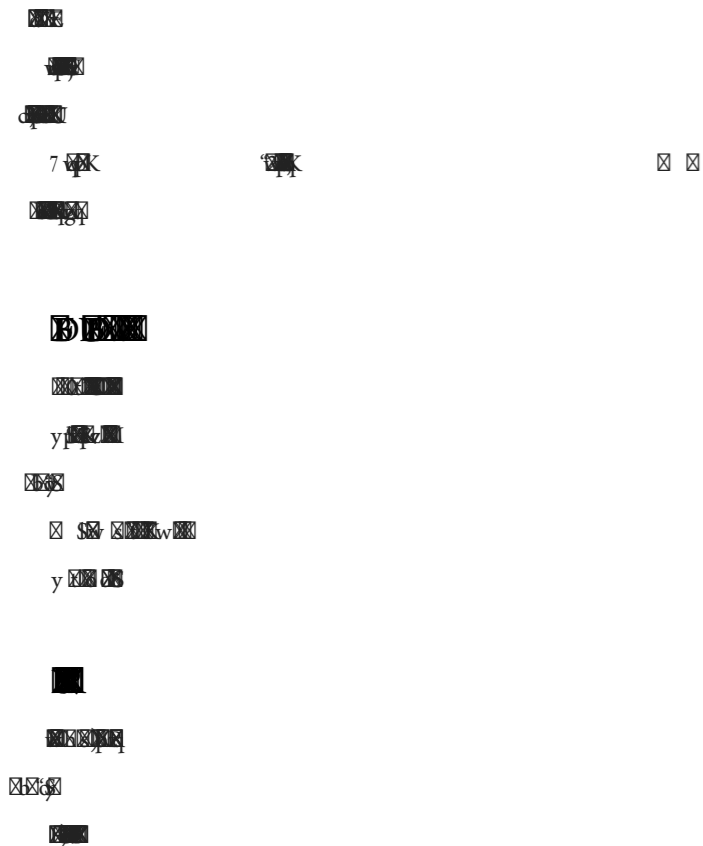
Let us help you grow your important assets!
大切な資産を育てるお手伝い

CORPORATE PROFILE
会社案内





We answer to the needs of each customer through consistent Face-to-Face Consultation.



Let us help you grow your important assets

In the era of the shift from saving to investment, no matter how times may change, fostering the trust of our customers will always be the basis of all our transactions. Credibility and sincerity are the cornerstones on which we live. Our business is built upon this credibility. This was our founder's credo and the Company has steadily grown in his footsteps guided by his motto, "credibility forms the basis of all businesses."

Face-to-Face Consulting

We provide quality services that meet the needs of each customer through easy-to-understand, thoughtful and considerate consulting based on direct dialogues with the customer. We lead the industry in offering unique in-season financial products that cater to the various needs of customers.

Ensuring solid growth through the pursuit of a sound financial base

Our solid, well-balanced revenue structure has enabled us to achieve continued growth. We have proactively sought out new business opportunities and diversified our revenue sources.



一言で「色」といっても、多彩な色があるように
お客さまの「夢」もまた、それぞれ違うことを
私たちは、多くの経験から知っております。

Just as there is no one “color,” we know from our
extensive experience that the dreams of our customers
are as diverse as the customers themselves.

Face to Face Consultation.

お客さまとの信頼関係を築くため、
私たちは、Face to Faceのコンサルティングに
こだわっております。

お客さま一人ひとりの多様化するニーズに対応した質の高い
サービスを提供するため、「マーケット変化を捉えた商品
ラインナップ」と「幅広いコンサルティング機能」が重要である
と考えております。そのため、全営業担当社員のファイナン
シャル・プランナー（FP）資格取得を目指すとともに、税理士や
弁護士等の専門家と顧問契約を締結。資産活用や資産継承
ニーズにお応えするコンサルティング体制を構築しております。

多彩な商品提供力

Face to Faceのビジネスモデルを追求するための重要な
要素。それは「多様な種類・通貨の債券や投資信託などの
多彩な商品ラインナップ」の提供です。当社は、お客さまの
投資パフォーマンス向上を目指し、マーケット動向やニーズ
を踏まえ、「特色ある旬の商品」を他社に先駆けて提供して
おります。

多彩な商品ラインナップを可能にする当社の強み

- ① 適正なリスクテイクを可能にする充実した自己資本
- ② 過去の実績に対する発行体や商品組成パートナーの高い評価
- ③ 商品本部が持つ充実した外資系証券会社とのネットワーク

特色ある債券ラインナップ

当社の債券ラインナップの特色は、「形態・発行体の多様性」と
「通貨の多様性」です。金利状況や市場環境の変化をタイムリー
に捉え、様々なタイプの債券をお客さまの利回りニーズやリスク
許容度・資産状況に応じて提案しております。



We have always insisted on Face-to-Face Consulting,
as means to develop a relationship of trust
with our customers.

We believe that “a diversified product lineup that is abreast of changing
markets” and “a broad range of consulting functions” are essential in
offering high-quality services that meet the varied needs of customers.
To this end, we are aiming to have all of our salespeople acquire
Financial Planner (FP) certification. We have also entered into advisory
agreements with a number of experts, including certified tax accountants
and legal advisors, and have thus built up a consulting framework capable
of responding to the asset management and inheritance needs of our
customers.

Ability to propose diverse financial products

An essential element in our business model of Face-to-Face consultation
is an ability to offer “a diverse product lineup, including various types of
bonds and investment trusts in various currencies.” In response to
changing markets and the evolving needs of the customers, we are
leading the industry in providing “unique ‘in season’ financial products”
to assist customers in improving their returns on investments.

Strengths that enable us to offer diverse products

- ① Sufficient net capital needed for appropriate risk-taking
- ② High appraisal of our past performance by issuers and product development partners
- ③ Effective liaison with overseas securities firms through our International Debt Market Department

Fixed-income securities with unique advantages

The “diversity in the types of issues and issuers,” as well as the “diversity of
currencies” comprise the unique features of Kyokuto’s lineup of fixed-income
securities. Based on our timely assessments of changes in interest rates and market
conditions, we offer various types of fixed-income securities to our customers that
are tailored to their specific needs, such as the customers’ expected yield, risk
tolerance and asset condition.

健全経営追求による安定的成長確保

時代を把握し、常に先を見通すことで、健全な経営基盤を実現。
お客さまへのより充実したサービスにつなげております。

Ensuring solid growth through the pursuit of a sound financial base

We have achieved a sound business foundation by grasping the present while always looking ahead to the future.

We have utilized this perspective to enhance our services to our customers.



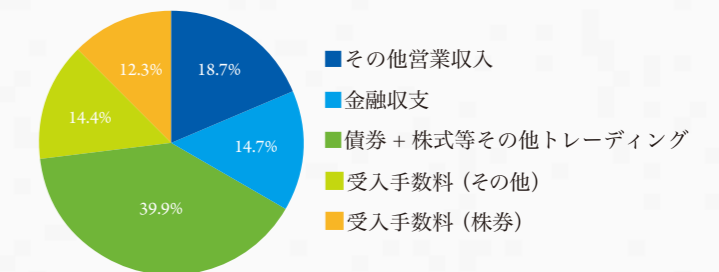
バランスのとれた安定的な収益構造と 新たな収益分野への積極的な取り組みと展開

当社の収益は、株式や投資信託等の取り扱いから生じる受入手数料、債券等を中心としたトレーディング収益、金融収支等、バランスのとれた収益構造で形成されています。

このバランスの取れた収益構造は、株式市場の長期低迷と手数料自由化進展の中、当社が経営環境の変化を適切に捉え、機動的な組織運営の見直しや新規事業への積極的な取り組みによって、株式市場の変動に対応すべく収益構造の多様化を図ってきた結果といえます。大きく変動する環境下においても株主の皆さまに安定的に配当を継続

できたのは、この健全な財務基盤の賜物といえるでしょう。今後とも、財務の健全性を堅持しつつも、新たな収益分野への積極的な取り組みを展開し、お客さま・株主の皆さまに安心してお付き合いいただける証券会社であり続けたいと考えております。

2016年3月期の純営業収益(連結)の構成比



A well-balanced, solid revenue structure and proactive efforts toward new revenue areas

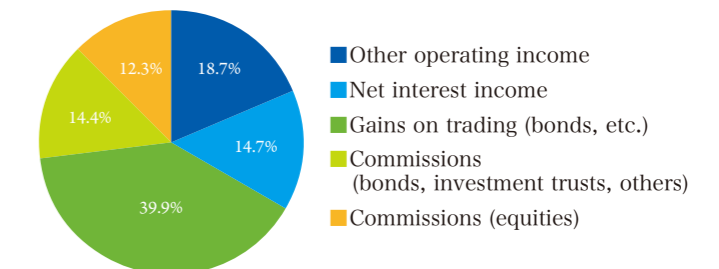
We have maintained an optimum revenue balance among brokerage commissions arising from trading of stocks, investment trusts, etc., gains on trading of bonds and other securities, and net interest income.

Our well-balanced revenue structure is the fruit of our efforts to diversify revenue sources, in order to make our revenue structure resilient to market changes. This has been achieved through constant review of operational strategy and proactively seeking new business opportunities in response to changing business environments, including the prolonged stagnant stock market and deregulation of fixed brokerage commission rates. This sound financial condition has allowed the Company to

maintain stable dividends payment to shareholders even during the changing business environments.

We are committed to keep our sound financial base, while making proactive efforts and developments toward new revenue areas, so that our customers and shareholders can receive our services with assurance.

Composition of Net Operating Income (Consolidated) for FY2015



Retail Business

リテール部門



お客さまとの直接対話を通して、個人のお客さまを中心とする資産運用ニーズに対し、確かな資産運用のコンサルティング提案を行っております。

Through Face-to-Face Consulting, we offer pertinent proposals in response to the investment needs of our retail customers.

直接対話を基本としたコンサルティング

リテール部門では、お客さまとの直接対話を基本とし、証券投資初心者の方から中長期投資を志向されるお客さままで、お客さま一人ひとりに適したコンサルティングを行います。当社の特色でもある多彩な商品群(株・債券・投資信託等)を組み合わせた質の高いポートフォリオ提案を推進し、お客さまの大切な資産を育てるお手伝いをしております。

お客さま基盤の拡大に向けて

安定的な収益基盤を長期的に確保していくために、新規のお客さま開拓と預かり資産の増強の2点を重点課題として取り組んでまいります。新規のお客さま勧誘については、既存のお客さまからのご紹介者や企業オーナー等を中心とする富裕層・シニア層を重点対象として、当社の強みである債券等の幅広い商品を有効に活用しつつ、拡充を図ってまいります。また、お客さまの「大切な資産を育てるお手伝い」を基本に、幅広い商品の提案や税務等のアドバイスを通じて預かり資産の増強を目指してまいります。

Consulting based on direct dialogue with our customers

Our Retail Customers Department provides customers – from first time investors to medium- to long-term investors – with consultations tailored to their specific needs based on direct dialogue. We help customer grow their important assets by offering high-quality portfolio proposals that combine products from our unique and diverse product line (equities, bonds, investment trusts, etc.).

Toward a wider customer base

To ensure a sound revenue structure over the long-term, we will engage in expanding our customer base and increasing our customers' assets as our two priority objectives. In terms of soliciting new customers, we intend to make the most of our unique product lines, including fixed-income securities, by focusing mainly on the wealthy and the affluent elderly, including entrepreneurs and those investors introduced by our existing customers. Additionally, we will endeavor to expand our customers' assets by offering proposals on our extensive product lineup and advice on taxation matters, based on our slogan of "Let us help you grow your important assets."



情報提供力の充実

調査・情報活動の基点として、極東証券経済研究所(KRI)を有しております。KRIは、毎月2回「極東投資レポート」を定期発行しているほか、個別銘柄や業界動向のレポートや決算情報等を随時発行。お客さまへの情報提供に力を注いでおります。また、債券や海外マーケットの動向については、外資系証券会社との強いネットワークを活かし、世界各国のタイムリーな情報をご提供しております。

株式

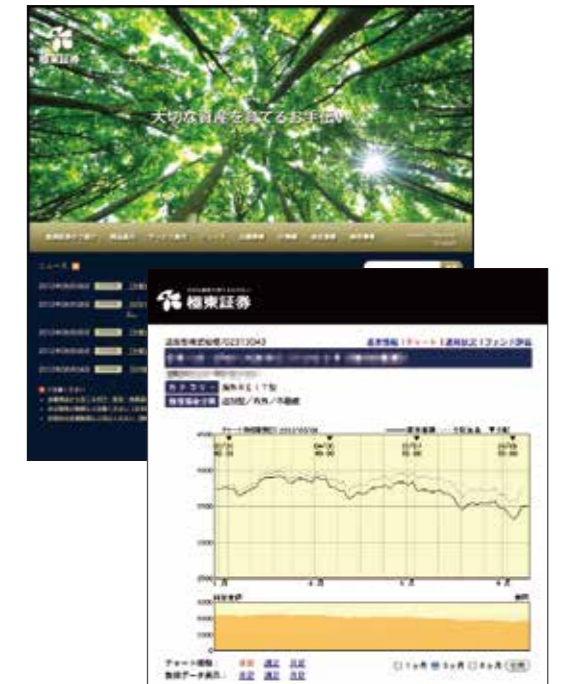
日本国内の株式だけではなく、成長目覚ましい、アジア各国株式の他、米国や欧州株式のお取り扱いが可能です。先進国、新興国にかかわらず旬の企業情報を随時お届けしております。

債券

中長期投資に適した商品です。お客さまの資産配分の一環、定年後の計画、お子さまの教育資金等、投資の目的に沿った商品で、幅広い投資の機会を提供させていただきます。

投資信託

単一の商品でも分散投資が可能な商品です。豊富なバリエーションが特徴で、お客さまの目的に合わせて、幅広い投資の機会を提供しております。また、当社のホームページでお取り扱い商品の情報提供もおこなっております。



Enhancement of capability to provide information

Kyokuto Securities Research Institute, Inc. (KRI) is the base of our research and information gathering activities. KRI is committed to providing relevant information to our customers by issuing the Kyokuto Investment Reports every two weeks, as well as reports on individual issues and industry trends, and financial reports. Furthermore, by making good use of our effective liaison with overseas securities firms, we provide customers with timely information on fixed-income securities and developments in overseas markets.

Equities

Not only do we handle Japanese stocks but also the stocks of the rapidly growing Asian nations, in addition to U.S. and European stocks. We offer our customers "in season" corporate information regarding stocks of emerging countries as well as the developed countries, in a timely manner.

Fixed-income securities

Fixed-income securities are optimum for medium- to long-term investments. We offer a wide range of investment opportunities tailored to our customers' investment goals; as part of an assets allocation, retirement plan, or the children's education fund, etc.

Investment trusts

Investment trusts allow for portfolio diversification even in the case of investment in a single issue of fund. We offer a wide range of investment opportunities tailored to our customers' investment goals. We also provide information on the products on our website.



コーポレート事業部

事業法人、金融法人、公益法人及び関連のオーナー等を対象に、株式、債券、投資信託等の販売に取り組んでおります。

投資銀行部

□ 不動産ファンドビジネス

オフィスビル、レジデンス、商業施設等の投資案件の発掘から必要な組織の設立、ファイナンスアレンジメントなど包括的な業務を展開しております。

□ M&A・財務アドバイザリー業務

事業の売却や拡大を検討されているオーナーのニーズをマッチングさせるM&A業務、事業再生や新規ビジネス進出に係る資金調達支援などを実施しております。

□ 引受業務

お客様各社のニーズにマッチしたファイナンス・プランの提案、新規公開企業の上場に伴う新株式発行及び株式売り出し(IPO)に関する引受幹事証券となるための活動をしております。

Wholesale Department

The Wholesale Department offers sales services in equities, bonds, and investment trusts mainly to business corporations, financial institutions, public-interest corporations and entrepreneurs.

Investment Banking Department

Real estate fund business

Our comprehensive business starts by sourcing investment opportunities for office buildings, residential properties, retail properties, etc., and encompasses setting up the necessary entities and undertaking financing arrangements.

M&A and financial advisory services

In our M&A service, we match up companies wishing to sell its business with the companies wanting to expand its business. We also provide advice to help companies to finance their business rehabilitation projects and new business start-ups.

Underwriting business

We offer financing plan proposals that match the varied needs of our corporate clients and participate in underwriting syndicates for the issuance of new stock and sale of stocks by newly listing companies (IPOs).

債券トレーディング

国際金融商品部において、お客様に対する資産運用コンサルティングを支援するため、外資系証券会社などの充実したネットワークを活用し、多彩な金融商品を仕入れ、提供しております。また、お客様の希望利回りやリスク許容度を勘案し、ニーズにマッチしたオーダーメイドの商品の組成も行っております。「貯蓄から投資へ」の流れの中で、当社の得意とする好利回りの外国債券等、お客様のより高い金利商品へのニーズは益々高まっており、当社の特徴の1つである「特色ある旬の商品」の品揃えをさらに強化し、お客様のニーズにお応えしてまいります。

また、自己資金を活用し、多様な金利商品を分散保有し、マーケット環境を注視し適切にリスク管理することにより、金融収支の安定的確保を目指しております。

株式ディーリング

流動性の供給により適正な価格形成の担い手となると共に、適切なリスク管理に基づく、安定的な収益源の多様化を図ることに努めております。

Bond trading

International Debt Market Department, by utilizing the effective liaison with overseas securities companies, purchases a wide range of financial products and offers them to our customers. The Department also arranges customized products to meet individual clients' needs in terms of expected yields and risk tolerance. Amid the "shift from saving to investment," our customers' preferences have increasingly shifted to high-yield financial instruments, such as high-yielding foreign bonds, which is one of our specialty fields. We will keep responding to the needs of the customers by further fortifying our unique 'in season' product lineup, which is one of our strengths. Furthermore, by utilizing our own capital and paying due attention to changing environments and appropriate risk management, we will hold diversified portfolios of fixed-income securities to help ensure stable sources of income.

Equity dealing

We play an important role in fair price formation by providing liquidity, while striving to diversify our revenue sources to increase stability in revenue based on proper risk management.

Corporate Governance

コーポレート・ガバナンス

全役職員が社会的責任を強く意識し、公正で健全な企業風土を確立しております。

All executives and employees are keenly aware of our responsibility toward society and have accordingly built up a fair and sound corporate culture.

当社グループは経営の透明性向上とコンプライアンス重視の経営に徹するため、コーポレート・ガバナンスの充実を図り、経営環境の変化に迅速に対応できる組織体制を構築することを経営の重要課題と位置づけております。また、全てのステークホルダーを視野に入れながら、当社グループ全役職員一人ひとりが高い倫理観を持ち、誠実かつ公正に業務を行うことを業務運営の基本方針としております。

内部統制システムの整備

当社グループ役職員の職務執行が法令及び定款に適合することを確保するため、「内部統制システム構築の基本方針」に基づき、統制組織及び統制手段が相互に結びつき内部統制機能が作用するシステムを構築しております。コンプライアンス全体を統括する統制組織として、内部管理を担当する取締役1名を「内部管理統括責任者」として定め、営業単位ごとに「営業責任者」及び「内部管理責任者」を配置。これらの制度を通じ、法令諸規則の遵守、営業活動や顧客管理等が適正に行われるよう、内部管理体制の整備を図っております。また、当社グループ全役職員がコンプライアンスに対する理解を深め、法令遵守を行うに止まらず、十分に自己規律を働かせた行動を選択できるよう、「倫理コード」やコンプライアンスの基本原則を定めた「コンプライアンス・マニュアル」を、社会環境・経営環境の変化に対応し随時見直し改定するとともに、具体的な行動計画を「コンプライアンス・プログラム」として明確化しその徹底を図っております。

Kyokuto Group has strengthened its corporate governance in order to devote itself to a transparent and compliance-oriented management; and we consider the establishment of an organization that is capable of promptly responding to changes in the business environment to be a critical management task at hand. Additionally, we consider it the basic policy of our business operations for each executive and employee of Kyokuto Group to keep in mind the interests of all its stakeholders, to adhere to the highest ethical standards and to conduct business in a fair and faithful manner.

Improving the Internal Control System

In order to ensure that the executives and employees of Kyokuto Group conduct their business activities in compliance with laws and regulations, as well as the Articles of Incorporation, the Group, in accordance with the Basic Policy on the Establishment of the Internal Control System, has built a system where the internal control system and its means of controls are firmly integrated so as to ensure that the internal control functions work properly. To conduct oversight of the entire compliance system, a managing director in charge of internal control has been appointed as the Internal Control General Manager, while a Sales Manager and Internal Control Manager have been appointed within each business unit. Through these systems, we have been taking steps to improve the internal control system so that compliance with laws and regulations, business activities and customer management are conducted in a proper manner. Furthermore, executives and employees of Kyokuto Group may deepen their understanding of compliance and ensure that their behavior is not only compliant with laws and regulations but sufficiently self-disciplined. For this purpose, the Group, in response to the changes in the social and business environments, reviews and revises the Compliance Manual, which sets forth the basic principles of compliance, and the Code of Ethics, in addition to clarifying and thoroughly enforcing specific agendas for action under the Compliance Program.

各種委員会の設置

法令・諸規則遵守の一段の強化を図るため、「コンプライアンス委員会」を設置。法令違反行為の未然防止策の立案、社内の問題点の早期洗い出しと改善策の検討・具体化を図っております。また、情報化の急速な発展に伴い、情報セキュリティ方針や情報セキュリティ規程等諸規程を整備するとともに、「情報セキュリティ委員会」を設置。経営情報や個人情報を含めた情報管理体制の強化を図っております。さらに、株価に影響を与える可能性のある重要な会社情報に関し、ディスクロージャー規程を整備するとともに、「ディスクロージャー委員会」を設置。タイムリーかつ公正な情報公開の確保を図っております。

リスク管理体制の整備

当社のリスク管理体制は、リスクの多様化・高度化とともに専門性が必要とされることから、リスク管理規程に基づき、当社が管理すべきリスクの所在と種類を明確化したうえで、各々のリスクごとに管理規則類を整備し、各部署が分担して管理する体制としております。リスク全般の管理統括の体制については、内部管理を担当する取締役1名を「リスク管理統括責任者」として定めるとともに、リスク管理部を設置し、統合リスク管理をしております。当社グループのリスクに関する重要事項の審議決定は、業務分掌・決裁権限規程、稟議規程及びグループ会社管理規程に基づき行っております。また、証券会社の財務の健全性の指標となる自己資本規制比率については、リスク管理部が毎営業日ごとに算出し、全取締役・執行役員・監査役に報告する他、毎月末の自己資本規制比率並びにその詳細を取締役会に報告しております。

社会貢献

社会に貢献できる人材育成の一環として、2000年より学校法人と共同して寄附講座を開設しております。毎年著名な講師の方々をお招きし、充実した講義が行われ、多くの学生にご参加を賜り、大変ご好評をいただいております。また、環境への取り組みとして、地球温暖化防止に向けてクールビズ(COOL BIZ)を実施しております。環境省が推進する地球温暖化防止対策に賛同し、室内温度設定を原則として28℃とすることでCO₂の削減に貢献しております。

Establishing various committees

In order to promote further compliance with laws and regulations, we have established the Compliance Committee, which formulates preventive measures against violations of laws and regulations and ensures the early detection of potential internal problems, devises and implements solutions to such problems. Also in response to the rapidly advancing information technology, the framework for the management of information, which includes corporate information and personal information, has been reinforced through the preparation of the Information Security Policy and the Information Security Regulations, in addition to the establishment of the Information Security Committee. Furthermore, in terms of material corporate information that may influence the Company's stock price, a disclosure manual has been prepared and the Disclosure Committee established, to ensure the information to be disclosed in timely and appropriate manners.

Enhancing the risk management system

As we are aware that the Company's risk management system requires expertise owing to the growing diversity and sophistication of risks, we have established a system whereby, in accordance with the Risk Management Regulations, we identify the types and location of risks that need to be managed by the Company and then prepare individual risk management rules for each risk in order to assign the responsibilities of risk management to each department. The managing director in charge of internal management has been assigned as the General Risk Manager to oversee the management of comprehensive risks, while the Risk Management Department has been established to manage company-wide risks. Decisions on critical risk issues of the Group are made based on the Segregation of Duties and Approval Authority Regulations, the Managerial Decision Rules, and the Group Company Management Regulations. Moreover, the net capital regulation ratio, which is the measure of financial soundness of securities companies, is calculated each business day by the Risk Management Department and reported to all directors, executive officers and corporate auditors, among others. The net capital regulation ratios as of the end of every month and other detailed information are reported to the Board of Directors.

CSR activities

As part of our continuing effort to develop human resources capable of contributing to society, we have been collaborating with schools to sponsor academic courses since 2000. Every year distinguished lecturers are invited to hold lectures, to which many students attend. The lectures have been productive and well-received by all who have attended. Moreover, we are doing our part for the environment by adopting "COOL BIZ," as a way of preventing global-warming. We back the Ministry of Environment's measures for the prevention of global warming and have set our thermostats at 28°C, thereby contributing to the reduction of CO₂.

Corporate Brand

コーポレートブランド

当社グループは創立以来、「信は萬事の基と為す」を経営の基本理念として、

お客さまの立場に立った営業展開と健全な経営を続けてまいりました。

この理念を基礎として東京証券取引所市場への上場に際し、二つの約束を掲げ、

コーポレートブランドの普及に取り組んでおります。

Since the establishment, Kyokuto Group has strived to gain customer credibility by pursuing customer-friendly business policies and a sound financial base in accordance with its guiding principle – “credibility forms the basis of all businesses.”

On the occasion of our listing on the Tokyo Stock Exchange,

we reiterated our two commitments and have since endeavored to spread our corporate brand.

一つ目の約束:お客さまへ



大切な資産を育てるお手伝い

極東証券

Let us help you grow your important assets!
KYOKUTO SECURITIES CO., LTD.

当社の特色・姿勢をアピールし、当社の付加価値をお約束するものです。信頼関係を築き、「大切な資産を育てるお手伝い」をしてまいりたいと考えております。

First commitment: To our customers

By promoting our unique products and business approach, we promise our customers the added value of our services. We will build a relationship of trust with our customers and continue to “help them grow their important assets.”

二つ目の約束:投資家の皆さまへ

証券会社だからこそ、
自ら魅力ある投資対象であることを伝えたい。

We're a securities company.
That's the reason why we want to be an attractive investment choice.

投資家の皆さまからの信頼を得るための、当社のIR活動の基本となる合言葉です。投資をお勧めしている証券会社だからこそ、先ずは自らが魅力的でなければならないと考えております。

Second commitment: To our investors

Our main concern is to gain the trust of our investors and this is the principle slogan of our IR activities. As a securities company encouraging customers to invest their assets, we believe that we ourselves have to be attractive.



ロゴマーク

メインモチーフは、人が大きく手を広げ、包み込むポーズのシルエット。当社の頭文字「K」の文字を組み入れ、「信頼性」、「安心感」、「親しみ易く、信頼できる証券会社」を表現しております。

Corporate logo: The main motif is a silhouette of a person with arms wide open in an embrace. The motif also incorporates the letter “K,” the initial letter of the Company’s name and expresses “credibility,” “security,” and most of all “a friendly and reliable securities company.”



コーポレートカラー

クリアブルーとウルトラマリンの2色がコーポレートカラー。クリアブルーは、クリーンで健全なイメージを、ウルトラマリンは、変わらぬお客さま本位の強い信念を表現しております。

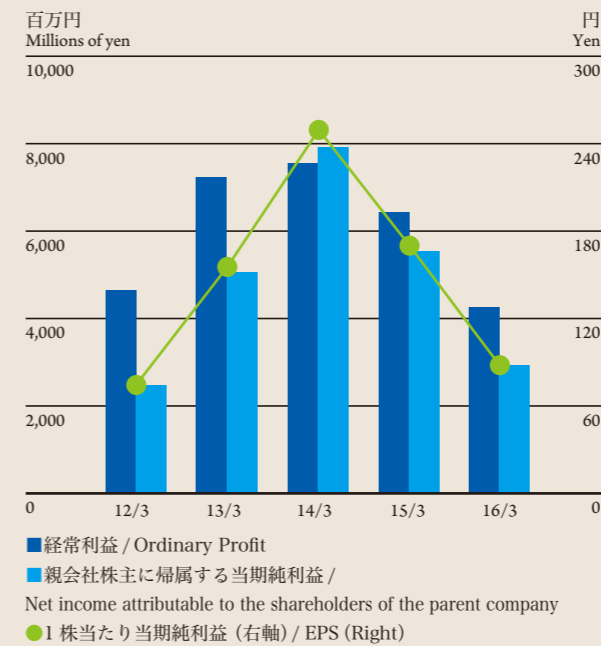
Corporate colors: Kyokuto’s corporate colors are Clear Blue and Ultramarine. Clear Blue represents a healthy and clean image, while the Ultramarine conveys our strong determination to uphold the spirit of customer-oriented principles.

Financial Highlights

主な経営指標の推移

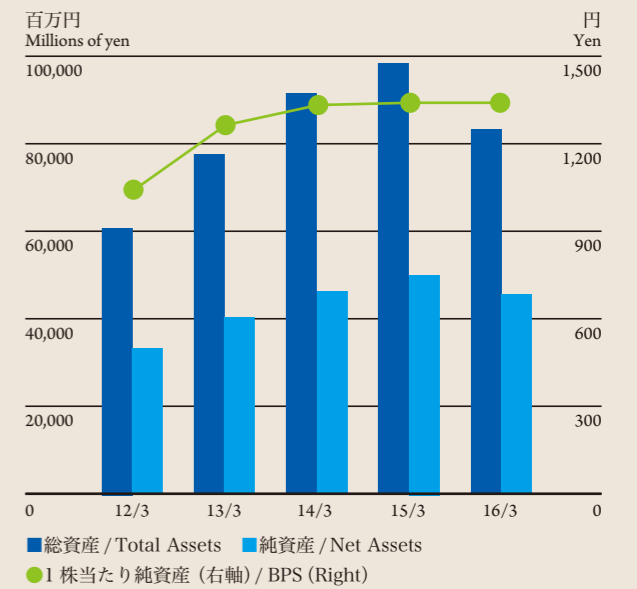
経常利益・親会社株主に帰属する当期純利益・1株当たり当期純利益の推移(連結)

Ordinary Profit, Net Income Attributable to the Shareholders of the Parent Company and Earnings per Share (EPS) (Consolidated)



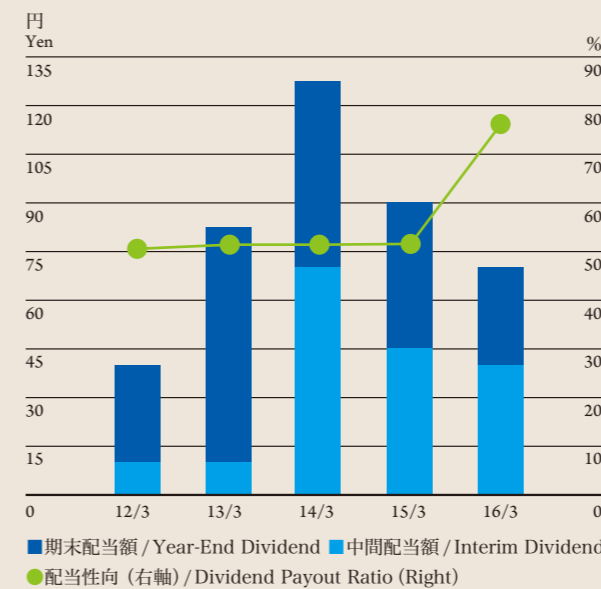
総資産・純資産・1株当たり純資産の推移(連結)

Total Assets, Net Assets and Book Value per Share (BPS) (Consolidated)



1株当たり配当額・配当性向の推移(連結)

Dividends per Share, Dividend Payout Ratio (Consolidated)



自己資本規制比率(単体)

Net Capital Regulation Ratio (Non-Consolidated)

